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STATE OF THE UNION MESSAGE

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A REPORT ON THE STATE OF THE UNION

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To the Congress of the United States:

Thank you for allowing me to delay my address until this evening. We paused together to mourn and honor the valor of our *Challenger* heroes. And I hope that we are now ready to do what they would want us to do—to forward America, reach for the stars. We will never forget those brave seven, but we shall go forward.

I have come to review with you the progress of our Nation, to speak of unfinished work, and to set our sights on the future. I am pleased to report the state of our Union is stronger than a year ago, and growing stronger each day. Tonight, we look out on a Rising America—firm of heart, united in spirit, powerful in pride and patriotism—America is on the move!

But, it wasn't long ago that we looked out on a different land—locked factory gates and long gasoline lines, intolerable prices and interest rates turning the greatest country on Earth into a land of broken dreams. Government growing beyond our consent had become a lumbering giant, slamming shut the gates of opportunity, threatening to crush the very roots of our freedom.

What brought America back? The American people brought us back—with quiet courage and common sense; with undying faith that in this Nation under God the future will be ours, for the future belongs to the free.

Tonight the American people deserve our thanks—for 37 straight months of economic growth; for sunrise firms and modernized industries creating 9 million new jobs in 3 years; interest rates cut in half and inflation falling from over 12 percent in 1980 to under 4 today; and a mighty river of good works, a record $74 billion in voluntary giving last year alone.

Despite the pressures of our modern world, family and community remain the moral core of our society, guardians of our values and hopes for the future. Family and community are the co-stars of this Great American Comeback. They are why we say tonight: Private values must be at the heart of public policies.

What is true for families in America is true for America in the family of free nations. History is no captive of some inevitable force. History is made by men and women of vision and courage. Tonight, freedom is on the march. The United States is the economic miracle, the model to which the world once again turns. We stand for an idea whose time is now: Only by lifting the weights from the shoulders of all can people truly prosper and can peace among all nations be secure.

Teddy Roosevelt said a nation that does great work lives forever. We have done well, but we cannot stop at foothills when Everest beckons. It is time for America to be all we can be.

We speak tonight of an *Agenda for the Future*, an agenda for a safer, more secure world. We speak about the necessity for actions to steel us for the chalienges of growth, trade, and security in the

next decade and the year 2000. And we will do it—not by breaking faith with bedrock principles, but by breaking free from failed policies.

Let us begin where storm clouds loom darkest—right here in Washington, DC. This week, I will send you our detailed proposals; tonight, let us speak of our responsibility to redefine Government's role: Not to control, not to command, not to contain us; but to help in times of need; above all, to create a ladder of opportunity to full employment—so all Americans can climb toward economic power and justice on their own.

But, we cannot win the race to the future shackled to a system that can't even pass a Federal budget. We cannot win that race held back by horse-and-buggy programs that waste tax dollars and squander human potential. We cannot win that race if we are swamped in a sea of red ink.

Members of Congress, passage of Gramm-Rudman-Hollings gives us an historic opportunity to achieve what has eluded our national leadership for decades—forcing the Federal Government to live within its means.

Your schedule now requires that the budget resolution be passed by April 15th—the very day America's families have to foot the bill for the budgets you produce.

How often we read of a husband and wife—both working, struggling from paycheck to paycheck to raise a family, meet a mortgage, pay their taxes and bills. Yet, some in Congress say taxes must be raised. Well, I'm sorry, they're asking the wrong people to tighten their belts. It's time we reduced the Federal budget and left the family budget alone. We do not face large deficits because American families are undertaxed; we face those deficits because the Federal Government overspends.

The detailed budget we submit will meet the Gramm-Rudman-Hollings target for deficit reductions; meet our commitment to ensure a strong national defense; meet our commitment to protect Social Security and the truly less fortunate; and, yes, meet our commitment not to raise taxes.

How should we accomplish this? Not by taking from those in need. As families take care of their own, Government must provide shelter and nourishment for those who cannot provide for themselves. But we must revise or replace programs enacted in the name of compassion that degrade the moral worth of work, encourage family break-ups, and drive entire communities into a bleak and heartless dependency.

Gramm-Rudman-Hollings can mark a dramatic improvement. But experience shows that simply setting deficit targets does not assure they'll be met. We must proceed with Grace Commission reforms against waste. And tonight, I ask you to give me what 43 Governors already have—give me a line-item veto this year. Give me the authority to veto waste, and I'll take the responsibility, I'll make the cuts, I'll take the heat.

This authority would not give me any monopoly power, but simply prevent spending measures from sneaking through that could not pass on their own merit. And you can sustain, or override, my veto—that's the way the system should work. Once we've made the hard choices, we should lock in our gains with a balanced budget amendment to the Constitution.

I mentioned that we will meet our commitment to national defense. We must meet it. Defense is not just another budget expense. Keeping America strong, free, and at peace is solely the responsibility of the Federal Government; it is Government's prime responsibility. We have devoted 5 years trying to narrow a dangerous gap born of illusion and neglect. And we have made important gains. Yet the threat from Soviet forces, conventional and strategic, from the Soviet drive for domination, from the increase in espionage and state terror remains great. This is reality. Closing our eyes will not make reality disappear.

We pledged together to hold real growth in the defense spending to the bare minimum. My budget honors that pledge. I am now asking Congress to keep its end of the bargain. The Soviets must know that if America reduces her defenses, it will be because of a reduced threat, not a reduced resolve.

Keeping America strong is as vital to the national security, as controlling Federal spending is to our economic security. But, as I have said before, the most powerful force we can enlist against the Federal deficit is an ever-expanding American economy, unfettered and free.

The Magic of Opportunity—unreserved, unfailing, unrestrained—isn't this the calling that unites us? I believe our tax rate cuts for the people have done more to spur a spirit of risk-taking and help America's economy break free than any program since John Kennedy's tax cut almost a quarter century ago.

Now history calls us to press on, to complete efforts for an historic tax reform providing new opportunity for all and ensuring that all pay their fair share—but no more. We've come this far. Will you join me now and we'll walk this last mile together?

You know my views on this. We cannot and we will not accept tax reform that is a tax increase in disguise. True reform must be an engine of productivity and growth and that means a top personal rate no higher than 35 percent. True reform must be truly fair and that means raising personal exemptions to $2,000. True reform means a tax system that at long last is pro-family, pro-jobs, pro-future, and pro-America.

As we knock down the barriers to growth, we must redouble our efforts for freer and fairer trade. We have already taken actions to encounter unfair trading practices and to pry open closed foreign markets. We will continue to do so. We will also oppose legislation touted as providing protection that in reality pits one American worker against another, one industry against another, one community against another, and that raises prices for us all. If the United States can trade with other nations on a level playing field, we can out-produce, out-compete, and out-sell anybody, anywhere in the world.

The constant expansion of our economy and exports requires a sound and stable dollar at home and reliable exchange rates

around the world. We must never again permit wild currency swings to cripple our farmers and other exporters. Farmers, in particular, have suffered from past, unwise Government policies, and they must not be abandoned with problems they did not create and cannot control. We've begun coordinating economic and monetary policy among our major trading partners. But there's more to do, and tonight I am directing Treasury Secretary Jim Baker to determine if the nations of the world should convene to discuss the role and relationship of our currencies.

Confident in our future, secure in our values, Americans are striding forward to embrace the future. We see it not only in our recovery, but in 3 straight years of falling crime rates, as families and communities band together to fight pornography, drugs, and lawlessness, and to give back to their children the safe and, yes, innocent childhoods they deserve.

We see it in the renaissance in education with rising S.A.T. scores for 3 years—last year's increase the greatest since 1963. It wasn't Government and Washington lobbies that turned education around—it was the American people who, in reaching for excellence, knew to reach back to basics. We must continue the advance by supporting discipline in our schools; vouchers that give parents freedom of choice; and we must give back to our children their lost right to acknowledge God in their classrooms.

We are a Nation of idealists, yet today there is a wound in our national conscience; America will never be whole as long as the right to life granted by our Creator is denied to the unborn. For the rest of my time, I shall do what I can to see that this wound is one day healed.

As we work to make the American Dream real for all, we must also look to the condition of America's families. Struggling parents today worry how they will provide their children the advantages their parents gave them. In the welfare culture, the breakdown of the family, the most basic support system, has reached crisis proportions—in female and child poverty, child abandonment, horrible crimes and deteriorating schools. After hundreds of billions of dollars in poverty programs, the plight of the poor grows more painful. But the waste in dollars and cents pales before the most tragic loss—the sinful waste of human spirit and potential.

We can ignore this terrible truth no longer. As Franklin Roosevelt warned 51 years ago before this chamber: Welfare is "* * * a narcotic, a subtle destroyer of the human spirit." And we must now escape the spider's web of dependency. Tonight, I am charging the White House Domestic Council to present me by December 1, 1986, an evaluation of programs and a strategy for immediate action to meet the financial, educational, social, and safety concerns of poor families—I am talking about real and lasting emancipation, because the success of welfare should be judged by how many of its recipients become independent of welfare.

Further, after seeing how devastating illness can destroy the financial security of a family, I am directing Secretary of Health and Human Services, Dr. Otis Bowen, to report to me by year-end with recommendations on how the private sector and Government can work together to address the problems of affordable insurance for

those whose life savings would otherwise be threatened when catastrophic illness strikes.

Tonight, I want to speak directly to America's younger generation—because you hold the destiny of our Nation in your hands. With all the temptations young people face, it sometimes seems the allure of this permissive society requires superhuman feats of self-control. But the call of the future is too strong, the challenge too great, to get lost in the blind alleyways of dissolution, drugs, and despair.

Never has there been a more exciting time to be alive—a time of rousing wonder and heroic achievement. As they said in the film, "Back to the Future": "Where we're going, we don't need roads."

Today, physicists peering into the infinitely small realms of subatomic particles find reaffirmations of religious faith; astronomers build a space telescope that can see to the edge of the universe and, possibly, back to the moment of creation.

So, yes, this Nation remains fully committed to America's space program. We are going forward with our shuttle flights. We are going forward to build our space station. And we are going forward with research on a new Orient Express that could, by the end of the next decade, take off from Dulles Airport and accelerate up to 25 times the speed of sound, attaining low-earth orbit or flying to Tokyo within 2 hours.

And the same technology transforming our lives can solve the greatest problem of the 20th century. A security shield can one day render nuclear weapons obsolete and free mankind from the prison of nuclear terror. America met one historic challenge and went to the Moon. Now, America must meet another—to make our strategic defense real for the citizens of planet Earth.

Let us speak of our deepest longing for the future—to leave our children a land that is free and just in a world at peace. It is my hope that our fireside summit in Geneva and Mr. Gorbachev's upcoming visit to America can lead to a more stable relationship. Surely no people on Earth hate war or love peace more than we Americans.

But we cannot stroll into the future with child-like faith. Our differences with a system that openly proclaims, and practices, an alleged right to command people's lives and to export its ideology by force are deep and abiding.

Logic and history compel us to accept that our relationship be guided by realism—rockhard, clear-eyed, steady, and sure. Our negotiators in Geneva have proposed a radical cut in offensive forces by each side, with no cheating. They have made clear that Soviet compliance with the letter and spirit of agreements is essential. If the Soviet government wants an agreement that truly reduces nuclear arms, there will be an agreement.

But arms control is no substitute for peace. We know peace follows in freedom's path and conflicts erupt when the will of the people is denied. So we must prepare for peace not only by reducing weapons but by bolstering prosperity, liberty, and democracy however and wherever we can.

We advance the promise of opportunity every time we speak out on behalf of lower tax rates, freer markets, and sound currencies around the world. We strengthen the family of freedom every time

we work with allies and come to the aid of friends under siege. And we can enlarge the family of free nations if we will defend the unalienable rights of all God's children to follow their dreams.

To those imprisoned in regimes held captive, to those beaten for daring to fight for freedom and democracy—for their right to worship, to speak, to live and prosper in the family of free nations—we say to you tonight: You are not alone Freedom Fighters. America will support with moral and material assistance your right not just to fight and die for freedom, but to fight and win freedom—in Afghanistan; Angola; Cambodia; and Nicaragua.

This is a great moral challenge for the entire free world. Surely, no issue is more important for peace in our own hemisphere, for the security of our frontiers, for the protection of our vital interests—than to achieve democracy in Nicaragua and to protect Nicaragua's democratic neighbors.

This year I will be asking Congress for the means to do what must be done for that great and good cause. As Scoop Jackson, the inspiration for our Bipartisan Commission on Central America, once said, "In matters of national security, the best politics is no politics."

What we accomplish this year, in each challenge we face, will set our course for the balance of the decade, indeed for the remainder of the century. After all we've done so far, let no one say this Nation cannot reach the destiny of our dreams. America believes, America is ready, America can win the race to the future—and we shall.

The American Dream is a song of hope that rings through the night winter air. Vivid, tender music that warms our hearts when the least among us aspire to the greatest things—to venture a daring enterprise; to unearth new beauty in music, literature, and art; to discover a new universe inside a tiny silicon chip or a single human cell.

The world's hopes rest with America's future. America's hopes rest with us. So let us go forward to create our world of tomorrow—in faith, in unity, and in love.

RONALD REAGAN.

THE WHITE HOUSE, *February 4, 1986.*

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